

## **FY 2007 Annual Program Performance Measures**

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

### **Description:**

The Bureau of Labor Market Information & Strategic Initiatives provides labor market information, economic and workforce research and analysis, and program measurement data and services. It functions as the central information and research support group for the Department.

### **The Vision Statement for the Bureau is:**

*To be a customer driven organization, recognized as the prime source of accurate, timely and objective economic and workforce information and analysis, supported by a culture that promotes the Department's core values and motivates employees to develop and grow.*

### **The Mission Statement for the Bureau is:**

*To provide quality economic and workforce information and analysis to guide Michigan's policy makers and benefits the Bureau's customers.*

### **The Main Components of the Bureau are:**

#### The Office of Labor Market Information

The Office of Labor Market Information (OLMI) is responsible for the development and maintenance of the workforce information system in Michigan. OLMI produces all of the official labor market information for the state and its regions, and is responsible for providing labor market analysis, products, and services to business, workforce and economic development, education, and other key customers.

#### The Office of Strategic Initiatives

The Office of Policy, Planning, and Strategic Initiatives is responsible for conducting research and analysis to guide policy and program development for DLEG, and responding to information requests from Michigan businesses, MEDC staff, the Governor's office, and the public.

### **Primary Funding Source**

Bureau of Labor Statistics Grant – US DOL

Workforce and Information Core Product and Service Grant – US DOL

### **2007 Bureau Strategic Objectives:**

1. Provide a comprehensive and flexible information system that supports the ever changing demands of customers and markets, delivering accurate and timely labor and economic development information.
2. Enhance LMISl's capabilities in providing economic and workforce development in research and analysis to guide policy and program development for DLEG, the governor's office and key customers.
3. Create valued products and services that address customer needs and/or provide timely information for critical decision making by state agencies, workforce and economic development, education, business and the general public.

## **FY 2007 Annual Program Performance Measures**

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

### **2007 Bureau Strategic Objectives: (continued)**

4. Establish a work environment that values its employees and promotes the department's core values of inclusion and recognition.

### **The Bureau's Customers:**

Customers of the bureau include: the Governor's office, policy-makers, DLEG bureaus, Michigan residents/taxpayers, Michigan business community, chambers of commerce, State and local workforce boards, economic developers, schools/educators, students/jobseekers, entrepreneurs, regional planners, labor unions, business & economic consultants, researchers, the media, M-TEC Centers, Bureau of Labor Statistics, Employment & Training Administration, internal bureau sections, other federal, state and local agencies.

### **Major Products and Services of the Bureau:**

Employment & Unemployment Data  
Data on Industries  
Data on Occupations  
Wage information  
Employer databases  
Labor Market Information publications  
Analysis of labor market trends  
County and regional data and analysis  
Labor Market Information website  
Presentations, training, conferences  
Press releases  
Workforce and economic research  
Detailed responses to internal and external information requests

### **Measure of Success:**

Data is used to measure basic compliance and improved performance in the delivery of all contract deliverables with federal-state statistical programs. The bureau has internal controls such as daily, monthly, and quarterly reports generated by section staff and the BLS regional office. Customer usage data is compiled to evaluate the trends in demand for bureau products and services. Data is used in the performance evaluation process of staff and in the identification of staff training needs.

## **FY 2007 Annual Program Performance Measures**

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

### **Challenges for FY 2008:**

- Two Federal grants are the Bureau's primary funding source and the basis for much of the data production, analysis and reporting. The funding of these grants continues to be reduced year over year necessitating the Bureau find offsets and efficiencies to meet budget levels. Again, in CY 2008 both grants are on "continuing resolution" with the expectation that LMISI will need to make significant mid-year budget revisions to meet revised federal requirements.
- Current financial systems do not allow for LMISI to collect funds from institutions outside of state government, eliminating a major source of revenue. Presently, any fees collected for work done by the bureau go into the General Fund. LMISI receives no General Fund money, not even to offset the project expenses that generated the revenue, a practice that must be changed if the bureau is to remain a viable activity long term.
- As LMISI moves to enhance its research and analysis capability to meet changing state and competitive needs, the bureau must modify the workforce skills and tools to be successful. In addition, LMISI is assessing its current resources in light of the changing BLS and ETA strategic shifts in program content.

## **FY 2007 Annual Program Performance Measures**

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

### **2007 ACTION PLAN PROGRESS REPORT**

#### **Objective 1**

Provide a comprehensive and flexible information system that supports the ever changing demands of customers and markets, delivering accurate and timely labor and economic development information.

**Overall Objective:**  Green

#### **Objective 1, Strategy 1**

1.1 Align resources to improve workload distribution, address program modifications, and achieve cost savings and budget targets.

## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives


<u>Highlight status</u>	<u>Plan</u>
<div data-bbox="178 427 210 456" style="display: inline-block; width: 10px; height: 10px; background-color: green; margin-right: 5px;"></div> <b>Green</b>	<p><b>1.1.1</b> Develop a process to take State Government employment PDF documents received by the QCEW section and translate/reformat the information into data files that can be uploaded instead of hand entering the data. Goal is to improve efficiency by 75%</p> <p><b>Status:</b> Process and software have been developed to match and merge four state government information documents into one data set on a quarterly basis. Associated geographic codes for the represented facilities remains to be completed. The project is Approximately 33% complete and on track to improve efficiency by 75% (savings of 128 hrs./year)</p>
<div data-bbox="178 732 210 761" style="display: inline-block; width: 10px; height: 10px; background-color: red; margin-right: 5px;"></div> <b>Red</b>	<p><b>1.1.2</b> Review impact of BLS mid-year budget cutbacks on current year deliverables. Shift staff resources to meet Fed/State deliverables and budget constraints. Goal is to meet BLS contract deliverables at approved budget levels.</p> <p><b>Status:</b> All 5 BLS programs made modifications to achieve target budgets. Results were monitored through quarterly finance reports. Targets were missed on all 5 BLS programs. Conditions were such that; BLS provided no relief on deliverables, despite reductions in funding; the state Executive Directives delayed program execution resulting in lost revenue from grants totaling \$187K; financial reporting was inadequate as a nimble management tool to make timely program adjustments; and efficiency actions were insufficient to offset program cost overrun of \$270K.</p>

## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives


### Objective 1, Strategy 2

1.2 Implement process improvement actions that enhance product and service quality and performance.

<u>Highlight status</u>	<u>Plan</u>
 <b>Green</b>	<p><b>1.2.1</b> Rewrite the current Confidential Information Request application form and streamline the process used to request micro data to make the application material more customer friendly and process less bureaucratic. The goal is to reduce customer errors on application forms by 67% and process the forms in 4 weeks or less.</p> <p><b>Status:</b> Application and instructions have been redesigned with a focus on clarity. Evaluations by the Attorney General's office and UIA have been favorable. Due to recent events the project has been expanded to include UIA at the request of the AG's office. With program scope increasing, timing will extend into the first half of CY 2008 before full implementation is achieved.</p>


### Objective 1, Strategy 3

1.3. Ensure all labor market information enhancements accurately reflect the economic and workforce conditions for the Michigan economy

<u>Highlight status</u>	<u>Plan</u>
 <b>Green</b>	<p><b>1.3.1</b> Identify sources, contacts and information on state licensed occupations for inclusion into Michigan's Workforce Information Database to enhance occupational and career information currently on BLMISI's website. The goal is to develop 20 licensed occupations data sets for inclusion into the database by end of 2007.</p> <p><b>Status:</b> Information has been collected for Health and Commercial occupations and Standard Occupational Codes (SOC) assigned.</p>

## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

 <b>Green</b>	<p>Database is set to be complete and submitted for inclusion into the Workforce Information Database by the end CY2007. Over 50 new licensed occupations are included</p> <p><b>1.3.2</b> Validate population-claims disaggregation methodology proposed by BLS for the development of unemployment rates in cities and townships. The objective is to improve rate accuracy, however, there is concern that the current pop-claim method has a bias against areas with a high level of long-term unemployment. This initiative is a joint effort with staff at the BLS regional and national offices. Progress will be monitored against target dates agreed upon by LMIS and BLS as outline in the work plan. Complete assessment and recommendation planned for July 1, 2007.</p> <p><b>Status:</b> A detailed analysis was prepared for BLS, outlining Michigan's issues with the new pop/claims methodology. It provided hard statistical evidence that the new approach inaccurately calculated unemployment rates in key distressed regions. The BLS federal office accepted the report and allowed the variance Michigan requested to stand for the remainder of the FY 2008 while they continue to evaluate and refine the pop-claims methodology.</p>
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## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives


### Objective 2

Enhance LMISI's capabilities in providing economic and workforce development in research and analysis to guide policy and program development for DLEG, the governor's office and key customers.

Overall Objective:  Green

### Objective 2, Strategy 1

2.1 Upgrade technical skills and computer hardware/software tools to improve efficiency and capability of the workforce.

<u>Highlight status</u>	<u>Plan</u>
 Green	<p><b>2.1</b> Provide the necessary hardware/software to move Bureau operations into the new Michigan1 IT system. Ensure supporting hardware and systems are compatible with the new M1 system. All changes must be implemented with minimal disruption to operations.</p> <p><b>Status:</b> Phase I, upgrading hardware &amp; software to M1 compatible levels, is complete and operational. Over 30 computers were removed from the ITAM report, the schedule used to charge the bureau for hardware support, providing savings of \$24K annually. Phase II, migrating all machines to M1, is on track for completion in the first quarter of CY2008. A LMISI launch team is working with the DIT M/1Adopt group to insure a smooth transition.</p>

### Objective 2, Strategy 2


2.2 Expand the Strategic Initiative activity, integrating new resources into the activity with needed skill sets in research and analysis for economic and workforce development

<u>Highlight status</u>	<u>Plan</u>



## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

 <b>Green</b>	<p><b>2.2.1</b> Increase staffing of the Strategic Initiatives (SI) activity in Lansing. Ensure staff has required skills and necessary tools to be successful. Procure data base and research tools to support production of planned products. The goal is to staff SI with 3 FTE by July 1 with hardware and vital resources to meet section objectives.</p> <p><b>Status:</b> Staff support for the Strategic Initiatives activity was reduced to 2 FTE's. Both positions have been filled with outstanding candidates having the required skills and qualifications required for the position. Funds were procured to purchase the required research tools and hardware. The objective was accomplished despite the challenges brought on by the state's budget issues and executive directives.</p>
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### Objective 3

Create valued products and services that address customer needs and/or provide timely information for critical decision making by state agencies, workforce and economic development, education, business and the general public.

Overall Objective:  **Green**


### Objective 3, Strategy 1

3.1 Enhance the state's labor market information delivery system.

<u>Highlight status</u>	<u>Plan</u>
 <b>Green</b>	<p><b>3.1.1</b> Disaggregated long-term (2004-2014) statewide occupational forecasts by the needed skill / educational level as identified by ETA and provide information on the LMIS website. The objective is to have the forecast available by July 1, 2007.</p>

## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

 <b>Green</b>	<p><b>Status:</b> Michigan statewide disaggregated long-term (2004-2014) forecasts have been completed. Final evaluation and posting of information completed June 1. In addition to the required data series, an executive level summary was written for publication on the LMI website with analysis and comments of the industry and occupational forecasts.</p> <p><b>3.1.2</b> Develop labor market information products and services that support the contract deliverables in the ETA Workforce Information Core Products and Services grant. The deliverables include:</p> <ul style="list-style-type: none"> <li>• Populate the ALMIS database and website with required data fields</li> <li>• Produce labor market publication and website products</li> <li>• Provide consulting assistance to workforce boards, economic development and other customers in regional labor markets</li> <li>• Conduct training sessions and presentations on labor market topics</li> <li>• Develop an annual economic report for the Governor and state workforce board.</li> </ul> <p>Work on the current ETA plan extends through June 30, 2007. The new ETA plan period will run from July 1, 2007 – June 30, 2008.</p> <p><b>Status:</b> All contract deliverables have been met. Progress report submitted and approved by the state's CLEG. Below is a list of key projects:</p> <ul style="list-style-type: none"> <li>• Michigan Economic &amp; Workforce Indicators Report to the Governor and WIBS</li> <li>• 21<sup>st</sup> Century Core &amp; Competitive Advantage Industry Analysis</li> <li>• Innovation Indicators</li> <li>• The Annual Planning reports for MWA's</li> <li>• Key Demand Occupations</li> <li>• LMI Quick Reference Guide</li> <li>• Capital Area Michigan Works! Conference – Growing IT Opportunity for the Capital Area</li> <li>• Regional Skills Alliance report on the Leisure and Hospitality sector in Southwest Michigan</li> </ul>
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## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

	<ul style="list-style-type: none"> <li>No Worker Left Behind – eligibility and occupations in-demand research</li> </ul>
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### Objective 3, Strategy 2

3.2 Develop new products/reports using the Local Employment Dynamics (LED) data series.

<p><b><u>Highlight Status</u></b></p>  <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: yellow; margin-right: 5px;"></div> <p><b>Amber</b></p> </div>	<p><b><u>Plan</u></b></p> <p><b>3.2.1</b> Train Michigan Works! Agencies (MWAs), 21<sup>st</sup> Century Regional Groups and various customers on how to obtain and evaluate Local Employment Dynamics (LED) data, using web-based query software. Objective is to conduct training sessions for all 25 MWAs and thirteen 21<sup>st</sup> Century regional groups by the 4<sup>th</sup> quarterly 2007.</p> <p><b>Status:</b> Because of Executive Directive 2007-19, all in-state travel has been cancelled and/or greatly restricted. This action has resulted in modifying the training approach. A new introductory training brochure is under development, due to be complete 1<sup>st</sup> quarter of 2008 for basic users of LED. In addition, a more hands on user program is under development using webinar technology to provide information to state MWA's, local economic developers and other interested parties.</p>
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### Objective 3, Strategy 3

3.3 Leverage the bureau's skills and experience to support other Michigan agencies and provide a more efficient use of resources

<p><b><u>Highlights Status</u></b></p>  <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> <p><b>Green</b></p> </div>	<p><b><u>Plan</u></b></p> <p><b>3.3.1</b> Identify target firms for 1099 misclassification audits in support of Unemployment Agency requirements. A detailed workplan manages key program progress and identifies deliverables.</p>
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## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

 <b>Green</b>	<p><b>Status:</b> A MOU between LMISI and UIA was approved on April 9, 2007. Background material on the misclassification issue has been compiled and a work plan developed with UIA approval. Reports are issued quarterly, keeping management in LMISI and UIA informed and aligned with the progress from the joint LMISI/UIA work team.</p> <p><b>3.3.2</b> BLMISI is developing a process to detect potential Michigan employers who may be involved in State Unemployment Tax Act dumping (SUTA). The project involves ownership transfers not reported to the Unemployment Insurance Agency (UIA). QCEW will provide a monthly file with 9 specific data elements to UIA identifying employers who may be involved in the illegal activity of SUTA dumping.</p> <p>The goal is to provide UIA with a list identifying employers who appear to be engaged in SUTA dumping activity. The objective is to identify with an 80% accuracy rate firms that are in violation of the SUTA dumping laws.</p> <p><b>Status:</b> Files have been delivered monthly to UIA with all 9 data elements since April 23, 2007 for review and action. Metrics to assess the value and accuracy of the process that identifies employers who may be SUTA dumping is under development.</p>
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### Objective 3, Strategy 4

**3.4 Support the regional economic development effort and workforce initiatives with products and services that guide the regions in development of their strategic plans.**

<p><b><u>Highlights Status</u></b></p> <p> <b>Amber</b></p>	<p><b><u>Plan</u></b></p> <p><b>3.4.1</b> Conduct Job Vacancy Survey (JVS) to collect statewide labor market information on vacant positions. Analyze survey results and publish</p>
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## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

 <b>Green</b>	<p>findings. Timely collection and dissemination of information is important to support trend analysis. The goal is to collect data in two months or less and complete reports two and a half months after data is collected.</p> <p><b>Status:</b> Data collection began late due to restrictions on obtaining temporary resources to assist in the project as a result of the state's Executive Directives. Efforts continue to be hampered by the restrictions which have added time and cost to the project. The date for completing the survey collection is December 2007 with the analysis and subsequent report due out by mid-February.</p> <p><b>3.4.2</b> Provide market intelligence in support of DLEG, the governor's office and other state agencies with two new publications: a report on innovation indicators (to be produced in the spring), and a quarterly publication titled "Michigan Economic and Workforce Indicators" (MEWI). A method for assessing customer satisfaction is under development. Information will be used to refine products to meet customer/user needs.</p> <p><b>Status:</b> Both the Innovation and MEWI reports were completed and distributed to the Governor's office, CLEG and key DLEG officials. Each report can also be found on the LMI website. In addition, a new initiative "Assessing Michigan's Workforce in the Global Economy" is underway. The study is developing a framework for measuring workforce competitiveness and assessing Michigan's relative strengths and weaknesses.</p>
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### Objective 4

Establish a work environment that values its employees and promotes the department's core values of inclusion and recognition.


Overall Objective:  **Green**

## FY 2007 Annual Program Performance Measures

Michigan Department of Labor and Economic Growth  
Labor Market Information & Strategic Initiatives

### Objective 4, Strategy 1

4.1 Create a culture that fosters inclusion in the workplace and promotes new concepts and allows for constructive criticism.

<u>Highlight Status</u>	<u>Plan</u>
 Green	<p><b>4.1</b> Conduct monthly “Lunch with the Director” sessions to provide staff a forum to discuss and get answers on any state business related matters. The goal is to improve morale, address rumors and provide a non-threatening environment for bureau staff to interact with the bureau director on a regular basis. Measure results with survey after 6 months.</p> <p><b>Status:</b> The “Lunch with the Director” initiative was not implemented due to a previous effort that was similar in nature which had just concluded. Instead the Bureau undertook a number of smaller projects that brought the staff together in a team building environment. Events include:</p> <ul style="list-style-type: none"><li>• Recognition of individual staff for significant contributions with a lunch invitation by the Director</li><li>• Community project – Adopted a troop of U.S. soldiers in Iraq and sent care packages from money and food collect by the Bureau</li><li>• Community project – Took on an Adopt-A-Family project over the Christmas season and provided a needy family with food, gifts and money for the holiday season.</li><li>• Recognition award for 25 and 30 years of state service by providing a special certificate signed by the Governor, mounted on a wooden plaque and presented to staff at one of the Bureau all staff meetings.</li></ul>